Development of Barauni Refinery

†2016. SHRIMATI KUM KUM RAI : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the status of Barauni oil refinery in Bihar; and

(b) the steps being taken by Government for development of said oil refinery?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Capacity expansion project of Barauni refinery for increasing the crude processing capacity from 4.2 million metric tonnes per annum (MMTPA) to 6.0 MMTPA was completed in December, 2002. Currently the refinery is operating at 5.0 MMTPA in line with product demand.

(b) In order to improve the profitability of Barauni refinery, a crude oil pipeline from Paradip to Haldia has been approved. The project is scheduled to be completed by March, 2006.

Petroleum Pricing Policy

2017. SHRI C. RAMACHANDRAIAH : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government are considering to announce a new Petroleum Pricing Policy in lieu of the existing fortnightly revision of prices; and

(b) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Since the announcement of the dismantling of the Administered Pricing Mechanism (APM) in the petroleum sector effective 1.4.2002,the Oil Marketing Companies (OMCs) have been determining the selling prices of petroleum products, except petrol, diesel, PDS kerosene and domestic LPG for which prior consultations with the Government of India have been held. In the case of PDS kerosene and domestic LPG, Government provides a flat rate of subsidy and, in addition, the oil PSUs have been partly sharing the burden of subsidizing these products.

†Original notice of the question was received in Hindi.

The prices in the international market have sharply risen in the recent months. Considering India's high dependence on oil imports, the increase in international price does impact on the domestic consumer prices of petroleum products. With a new to modulating the impact of high international prices on the domestic on consumer prices of petrol and diesel, a price band mechanism has been put in operation as per which the Oil Marketing Companies (OMCs) can effect price revisions based on the previous fortnight's average international price, provided that the exchange rate adjusted C&F (cost & freight) product price was within the band of ±10% around the mean of (a) last three months' rolling average prices; and (b) last one year's rolling average prices. In case the C&F prices breach the ceiling due to high volatility, OMCs would keep the prices in the band and approach the Government. The ceiling was breached in August 2004 and since then Government have been keeping prices under close review.

In addition, steps have been taken to contain the impact of such increases in the domestic consumer prices of four products, *viz.*, PDS kerosene, domestic LPG, diesel and petrol. The Government reduced excise duties on petrol, diesel and domestic LPG by 4%, 3% and 8%, respectively effective 16-6-2004. Later, effective 19-8-2004, the excise duties on petrol, diesel and PDS kerosene were reduced by 3%, 3% and 4% respectively. Also, effective 19-8-2004, customs duties on petrol, diesel, PDS kerosene and domestic LPG were reduced by 5% each.

Government is constantly monitoring and keeping under careful review the prices of all sensitive petroleum products.

GAIL's agreement with DOW and Company

2018. SHRI AMAR SINGH : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Gas Authority of India has recently signed a joint agreement with DOW and Company, the largest exploration in Myanmar, for brining Natural Gas through pipelines to India;

(b) if so, the details thereof; and

(c) by when the agreement is likely to be implemented?